

Boudreau Glenn Cutter Jewelers
Balance Sheet
As of September 15, 2010

	<u>Sep 15, 10</u>
ASSETS	
Current Assets	
Checking/Savings	
Wells Fargo Savings	300.00
Wells Fargo Blue	10,794.73
Cash on Hand	500.00
Total Checking/Savings	<u>11,594.73</u>
Accounts Receivable	
Accounts Receivable	14,026.02
Total Accounts Receivable	<u>14,026.02</u>
Other Current Assets	
Inventory- jewelry	225,811.32
Inventory - other	11,475.57
Total Other Current Assets	<u>237,286.89</u>
Total Current Assets	262,907.64
Fixed Assets	
Equipment	51,765.99
A/D equipment	-51,765.99
Leasehold Improvements	29,453.18
A/D leasehold improvements	-15,217.63
Furniture & Equipment	57,772.48
A/D furniture & fixtures	-54,404.49
Software	1,800.00
A/A - software	-1,800.00
Total Fixed Assets	<u>17,603.84</u>
Other Assets	
Deposits - rent	750.00
Deposits - utilities	1,110.03
Total Other Assets	<u>1,860.03</u>
TOTAL ASSETS	<u><u>282,371.51</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	-229.56
Total Accounts Payable	<u>-229.56</u>
Credit Cards	
Mastercard	24,012.89
Visa	1,204.14
Total Credit Cards	<u>25,217.03</u>
Other Current Liabilities	

Boudreau Glenn Cutter Jewelers
Balance Sheet
As of September 15, 2010

	<u>Sep 15, 10</u>
Consignment goods sold Payable	64,984.23
Retirement plan payable	5,367.11
Note Payable Bank of the West	77,399.96
Note Payable Cutter Trust 125	26,608.42
Note Payable Cutter Trust 97	68,421.03
Payroll Liabilities	10,104.21
Sales Tax Payable	8,809.18
Total Other Current Liabilities	<u>261,694.14</u>
Total Current Liabilities	286,681.61
Long Term Liabilities	
Note payable Fristoe & Co	76,849.53
Note Payable - McGrath Trust	57,792.71
Note Payable Michelle Boudreau	-2,250.00
Total Long Term Liabilities	<u>132,392.24</u>
Total Liabilities	419,073.85
Equity	
Treasury Stock	-552,513.00
Paid in Capital	100,752.22
Common Stock	1,056.00
Retained Earnings	312,772.73
Net Income	1,229.71
Total Equity	<u>-136,702.34</u>
TOTAL LIABILITIES & EQUITY	<u>282,371.51</u>

Boudreau Glenn Cutter Jewelers**Profit & Loss**

August 2010

	<u>Aug 10</u>	<u>% of Income</u>
Income		
Gift Sales	618.65	0.96%
Jewelry Sales	49,205.00	75.99%
Service Revenue	14,929.32	23.06%
Total Income	<u>64,752.97</u>	<u>100.0%</u>
 Cost of Goods Sold		
Consignment settlement	19,074.63	29.46%
Purchases Jewelry	4,563.71	7.05%
Purchases Gifts	694.71	1.07%
Total COGS	<u>24,333.05</u>	<u>37.58%</u>
 Gross Profit	40,419.92	62.42%
 Expense		
Legal Fees	120.47	0.19%
Advertising print	632.87	0.98%
Advertising radio	500.00	0.77%
Bank and Credit Card Fees	223.01	0.34%
Business Meals	84.44	0.13%
Credit Card Proc. Fees	476.01	0.74%
Insurance	1,850.13	2.86%
Insurance - Health	269.00	0.42%
Outside repair services	3,365.00	5.2%
Payroll Expenses	13,410.63	20.71%
Rent	1,200.00	1.85%
Security	32.21	0.05%
Shipping	136.74	0.21%
Supplies	1,277.15	1.97%
Telephone	477.23	0.74%
Utilities	722.14	1.12%
Total Expense	<u>24,777.03</u>	<u>38.26%</u>
 Net Income	<u>15,642.89</u>	<u>24.16%</u>

Boudreau Glenn Cutter Jewelers
Statement of Cash Flows
August 2010

	<u>Aug 10</u>
OPERATING ACTIVITIES	
Net Income	19,135.52
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Payable	-3,492.63
Mastercard	-717.63
Note Payable Bank of the West	-2,262.42
Payroll Liabilities	-485.32
Sales Tax Payable	-1,545.42
Net cash provided by Operating Activities	<u>10,632.10</u>
FINANCING ACTIVITIES	
Note Payable Michelle Boudreau	-750.00
Net cash provided by Financing Activities	<u>-750.00</u>
 Net cash increase for period	 9,882.10
 Cash at beginning of period	 <u>16,997.25</u>
Cash at end of period	<u><u>26,879.35</u></u>

U.S. Corporation Income Tax Return
For calendar year 2009 or tax year
beginning July 1, 2009, ending June 30, 2010

OMB No. 1545-0123

2009

A Check if:

- 1a Consolidated return (attach Form 951) ☐
b Life/nonlife consolidated return ☐
2 Personal holding co. (attach Sch. PH) ☐
3 Personal service corp. (see instructions) ☐
4 Schedule M-3 attached ☐

Use IRS label. Otherwise, print or type.

Name

GLENN CUTTER JEWELERS INC

Number, street, and room or suite no. If a P.O. box, see instructions.

2001 EAST LOHMAN SUITE 125

City or town, state, and ZIP code

LAS CRUCES, NM 88001

B Employer identification number

[REDACTED]

C Date incorporated

09/03/1974

D Total assets (see instructions)

\$ 287000.

E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change

Income	1	Gross receipts or sales	581409.	b Less returns and allowances	c Bal	1c	581409.
	2	Cost of goods sold (Schedule A, line 8)				2	329707.
	3	Gross profit. Subtract line 2 from line 1c				3	251702.
	4	Dividends (Schedule C, line 19)				4	
	5	Interest				5	
	6	Gross rents				6	
	7	Gross royalties				7	
	8	Capital gain net income (attach Schedule D (Form 1120))				8	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)				9	
	10	Other income (attach schedule)				10	
	11	Total income. Add lines 3 through 10				11	251702.
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)		12	60087.		
	13	Salaries and wages (less employment credits)		13	76434.		
	14	Repairs and maintenance		14			
	15	Bad debts		15			
	16	Rents		16	14400.		
	17	Taxes and licenses		17	67.		
	18	Interest		18	8417.		
	19	Charitable contributions	See Statement 1	19	0.		
	20	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)		20	4350.		
	21	Depletion		21			
	22	Advertising		22	23530.		
	23	Pension, profit-sharing, etc., plans		23			
	24	Employee benefit programs		24			
	25	Domestic production activities deduction (attach Form 8903)		25			
	26	Other deductions (attach schedule)	See Statement 2	26	87429.		
	27	Total deductions. Add lines 12 through 26		27	274714.		
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		28	-23012.		
29	a Net operating loss deduction	Statement 3	29a	0.			
	b Special deductions (Schedule C, line 20)		29b				
29c							
Tax, Refundable Credits, and Payments	30	Taxable income. Subtract line 29c from line 28 (see instructions)		30	-23012.		
	31	Total tax (Schedule J, line 10)		31	0.		
	32a	2008 overpayment credited to 2009	32a				
	32b	2009 estimated tax payments	32b				
	32c	2009 refund applied for on Form 4466	32c				
	d Bal		32d				
	e	Tax deposited with Form 7004	32e				
	f	Credits: (1) Form 2439 (2) Form 4136	32f				
	g	Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g				
	32h						
33	Estimated tax penalty (see instructions). Check if Form 2220 is attached		33				
34	Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed		34	0.			
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid		35				
36	Enter amount from line 35 you want: Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>		36				

Sign Here

Under penalties of perjury, I declare that I have examined this return, accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title **PRESIDENT**

May the IRS discuss this return with the preparer shown below?
☒ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature _____ Date _____ Check if self-employed ☒ Preparer's SSN or PTIN **[REDACTED]**

Firm's name (or yours if self-employed) **Lisa J O Willman CPA** EIN **[REDACTED]**

Address **1744 S Triviz Dr** Phone no. **(575) 522-3882**

City **Las Cruces NM**

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	350294.
2	Purchases	2	170107.
3	Cost of labor	3	46593.
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	566994.
7	Inventory at end of year	7	237287.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	329707.

9 a Check all methods used for valuing closing inventory:

- (i) ☐ Cost
(ii) ☐ Lower of cost or market
(iii) ☐ Other (Specify method used and attach explanation.) ►

b Check if there was a writedown of subnormal goods► ☐**c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)► ☐**d** If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO

9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?☐ Yes ☒ No**f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory?☐ Yes ☒ No

If "Yes," attach explanation

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC -DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
STEVE V. BOUDREAU		100%			60087.
2 Total compensation of officers					60087.
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on page 1, line 12					60087.

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2 0.
3	Alternative minimum tax (attach Form 4626)		3
4	Add lines 2 and 3		4 0.
5a	Foreign tax credit (attach Form 1118)	5a	
b	Credit from Form 8834, line 29	5b	
c	General business credit (attach Form 3800)	5c	
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e		6
7	Subtract line 6 from line 4		7 0.
8	Personal holding company tax (attach Schedule PH (Form 1120))		8
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)		9
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31		10 0.

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. 448310		
b	Business activity RETAIL		
c	Product or service JEWELRY		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation _____		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X
5	At the end of the tax year, did the corporation:	Yes	No
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions If "Yes," complete (i) through (iv).		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

JWA

Form **1120** (2009)

Schedule K Continued

- b** Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv).

X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

- 6** During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)

X

If "Yes," file **Form 5452**, Corporate Report of Nondividend Distributions.

If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

- 7** At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?

X

For rules of attribution, see section 318. If "Yes," enter:

(i) Percentage owned **▶** _____ and (ii) Owner's country **▶** _____

(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached **▶** _____

- 8** Check this box if the corporation issued publicly offered debt instruments with original issue discount **▶** ☐

If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

- 9** Enter the amount of tax-exempt interest received or accrued during the tax year **▶** \$ _____

- 10** Enter the number of shareholders at the end of the tax year (if 100 or fewer) **▶** _____

- 11** If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here **▶** ☐

If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

- 12** Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) **▶** \$ 100112.

- 13** Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?

X

If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. **▶** \$ _____

JWA

Form **1120** (2009)

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1 Cash			5642.		19338.
2a Trade notes and accounts receivable	14026.			15262.	
b Less allowance for bad debts	()	14026.	()	15262.	
3 Inventories			350294.		237287.
4 U.S. government obligations					
5 Tax-exempt securities					
6 Other current assets (att. sch.) Stmt 4			1338.		
7 Loans to shareholders			28912.		
8 Mortgage and real estate loans					
9 Other investments (att. sch.)					
10a Buildings and other depreciable assets	138991.			138991.	
b Less accumulated depreciation	(121388)	17603.	(125738)	13253.	
11a Depletable assets					
b Less accumulated depletion	()		()		
12 Land (net of any amortization)					
13a Intangible assets (amortizable only)	1800.			1800.	
b Less accumulated amortization	(1800)		(1800)		
14 Other assets (att. sch.) Stmt 5			22715.		1860.
15 Total assets			440530.		287000.
Liabilities and Shareholders' Equity					
16 Accounts payable			294135.		143162.
17 Mortgages, notes, bonds payable in less than 1 year			73664.		
18 Other current liabilities (att. sch.) Stmt 6			74160.		21008.
19 Loans from shareholders					
20 Mortgages, notes, bonds payable in 1 year or more			298890.		315813.
21 Other liabilities (att. sch.)					
22 Capital stock: a Preferred stock					
b Common stock	1056.	1056.	1056.	1056.	
23 Additional paid-in capital			100854.		231760.
24 Retained earnings - Appropriated (attach schedule)					
25 Retained earnings - Unappropriated			150284.		126714.
26 Adjustments to shareholders' equity (attach schedule)					
27 Less cost of treasury stock		(552513)		(552513)	
28 Total liabilities and shareholders' equity			440530.		287000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1 Net income (loss) per books	-23570.	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax per books		Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):			
5 Expenses recorded on books this year not deducted on this return (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Charitable contributions \$		b Charitable contributions \$	
c Travel and entertainment \$ 558.			
	558.	9 Add lines 7 and 8	
6 Add lines 1 through 5	-23012.	10 Income (page 1, line 28) - line 6 less line 9	-23012.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	150284.	5 Distributions: a Cash	
2 Net income (loss) per books	-23570.	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
4 Add lines 1, 2, and 3	126714.	7 Add lines 5 and 6	
		8 Balance at end of year (line 4 less line 7)	126714.

Asset No.	Description	Date Acquired	AMT Method	AMT Life	AMT Cost Or Basis	AMT Accumulated	ACE Cost Or Basis	Regular Depreciation	AMT Depreciation	ACE Depreciation
6	EQUIPMENT	07/01/08		15.00	14727.	0.	14727.	982.	982.	982.
13	EQUIPMENT	07/01/08		15.00	124265.	7587.	124265.	3368.	3368.	3368.
	Totals				138992.	7587.	138992.	4350.	4350.	4350.

Department of the Treasury
Internal Revenue Service (99)
Name(s) shown on return

Depreciation and Amortization (Including Information on Listed Property) OTHER

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2009

Attachment
Sequence No. 67
Identifying number

GLENN CUTTER JEWELERS INC

Other Depreciation

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	250000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	800000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	4350.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property						
h Residential rental property	/		25 yrs.		S/L	
	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a	Class life					
b	12-year				S/L	
c	40-year	/	12 yrs.		S/L	
			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	4350.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V

Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
--	-------------------------------------	--	-------------------------------	--	---------------------------	------------------------------	----------------------------------	---------------------------------------

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use

25

26 Property used more than 50% in a qualified business use:

		%						
		%						
		%						

27 Property used 50% or less in a qualified business use:

		%			S/L		
		%			S/L		
		%			S/L		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1

28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1

29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle	(b) Vehicle	(c) Vehicle	(d) Vehicle	(e) Vehicle	(f) Vehicle
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
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42 Amortization of costs that begins during your 2009 tax year:

43 Amortization of costs that began before your 2009 tax year

43

44 Total. Add amounts in column (f). See the instructions for where to report

44

2009 DEPRECIATION AND AMORTIZATION REPORT
Other Depreciation

OTHER

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
6	EQUIPMENT	070108	SL	15.00	16	14727.			14727.	491.		982.
13	EQUIPMENT	070108	SL	15.00	16	124265.			124265.	120897.		3368.
19	LOAN FEES	010100		60M	43	1800.			1800.	1800.		0.
	* Total Other Depreciation & Amor					140792.			140792.	123188.		4350.

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

Contributions

Statement 1

Qualified Contributions Subject to 100% Limit

Contribution Subject to Limitation:

Carryover of Prior Years Unused Contributions

For Tax Year 2004

For Tax Year 2005

For Tax Year 2006

For Tax Year 2007

For Tax Year 2008 1617

Total Carryover

1617

Current Year Contributions

Total Contributions Available

1617

Taxable Income Limitation as Adjusted

0

Excess Contributions

1617

Allowable Contributions Deduction

0

Total Contribution Deduction

0

Form 1120	Other Deductions	Statement	2
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Description	Amount
ACCOUNTING	13051.
APPRAISALS	535.
BANK AND CREDIT CARD FEES	7430.
CREDIT CARD PROCESSING FEES	6905.
DESIGN FEES	130.
LEGAL FEES	4086.
LIABILITY INSURANCE	22643.
Meals and Entertainment	558.
MILEAGE REIMBURSEMENT	505.
OFFICE SUPPLIES	7947.
OFFICERS HEALTH INSURANCE	3228.
PROMOTIONS	325.
SECURITY	386.
SHIPPING	7062.
TELEPHONE	5710.
UTILITIES	6928.
Total to Form 1120, Line 26	87429.

Net Operating Loss Deduction	Statement	3
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Tax Year	Loss Sustained	Loss Previously Applied	Loss Remaining	Available This Year
06/30/02	51309.	51309.	0.	0.
06/30/03	31588.	31588.	0.	0.
06/30/07	156105.	55993.	100112.	100112.
NOL Available This Year			100112.	100112.

Schedule L	Other Current Assets	Statement	4
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Description	Beginning of Tax Year	End of Tax Year
INTEREST INCOME RECEIVABLE	1338.	
Total to Schedule L, Line 6	1338.	



Schedule L	Other Assets	Statement	5
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Description	Beginning of Tax Year	End of Tax Year
UTILITY DEPOSIT	1110.	1110.
RENT DEPOSIT	750.	750.
LEGAL FUND DEPOSIT	20855.	
Total to Schedule L, Line 14	22715.	1860.

Schedule L	Other Current Liabilities	Statement	6
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Description	Beginning of Tax Year	End of Tax Year
RETIREMENT PLAN PAYABLE	5367.	5367.
PAYROLL LIABILITY	5172.	9856.
SALES TAX PAYABLE	0.	5785.
OTHER CURRENT LIABILITIES	63621.	
Total to Schedule L, Line 18	74160.	21008.

2009 CIT-1
NEW MEXICO CORPORATE INCOME AND
FRANCHISE TAX RETURN



96081019

GLENN CUTTER JEWELERS INC	
2001 EAST LOHMAN SUITE 125	
LAS CRUCES	NM 88001

- ☒ Original Return
☐ Amended - RAR
☐ Amended - Capital Loss
☐ Amended - Other

FOR DEPARTMENT USE ONLY

1019 19 1
Federal Employer Identification No. (Required)
[REDACTED]

New Mexico CRS Identification No.
[REDACTED]

New Mexico Public
Regulation Commission No.
0815431

Tax Year Beginning
07/09
mm / yy

Tax Year Ending
06/10
mm / yy

Extended Due Date
[REDACTED]
mm / dd /ccyy

Taxpayer telephone number

COMPLETE THE FOLLOWING:

- A. State of incorporation NEW MEXICO Date of incorporation 09/03/1974
- B. Date business began in New Mexico 09/03/1974 State of commercial domicile NEW MEXICO
- C. Name and address of registered agent in New Mexico
STEPHEN BOUDREAU
2001 E LOHMAN STE 125 LAS CRUCES NM 88001
mailing address city state ZIP code
- D. NAICS code (Required) 448310 Principal business activity in New Mexico RETAIL
- E. Method used to determine New Mexico taxable income of the corporation:
☒ separate corporate entity ☐ combination of unitary domestic corporations ☐ federal consolidated group
- F. Indicate method of accounting: ☐ cash ☒ accrual ☐ other (specify) _____
- G. If this is the corporation's final return, was the corporation:
☐ dissolved ☐ merged or reorganized ☐ withdrawn date _____
- H. Has this corporation's federal income tax liability changed for any year due to an IRS audit or the filing of an amended federal return that has not been reported to New Mexico? ☐ YES ☒ NO If yes, submit an amended New Mexico Corporate Income and Franchise Tax return and a copy of the amended federal return or the Revenue Agent's Report, if applicable, to the New Mexico Taxation and Revenue Department.
- I. If this return is a consolidated or combined return, complete the following information for each corporation in the consolidated or combined group. The total of Column 3 must equal line 19 of CIT-1, page 2, and the total of Column 4 must equal line 15 of CIT-1, page 2. If additional space is required, attach a schedule in the same format.

(1)
Corporate Name

(2)
Federal Employer Identification
Number

(3)
Amount of quarterly,
tentative or other payments
to be applied to this return

(4)
Enter \$50 for each
corporation paying
Franchise Tax

J. FOR COMBINED FILERS ONLY:

Is this combination the same as filed last year? ☐ YES ☐ NO If no, please list each corporation added to or eliminated from the combined group. Include each corporation's Federal Employer Identification Number. Attach a schedule if more space is needed.

K. If other than a corporation, enter your legal entity type (for example: LLC or partnership): _____

L. Check this box if federal Form(s) 8886, Reportable Transaction Disclosure Statement, is required to be attached. ☐

REFUND EXPRESS!! HAVE YOUR REFUND DIRECTLY DEPOSITED. SEE INSTRUCTIONS AND FILL IN 1, 2, 3 AND 4.

1. Routing number:

3. Type: Checking ☐ Savings ☐
Enter "X"

2. Account number:

4. REQUIRED: WILL THIS REFUND GO TO OR THROUGH AN ACCOUNT LOCATED OUTSIDE THE UNITED STATES? If yes, you may not use this refund delivery option. See instructions.

967201 12-15-09

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96091019

Federal Employer Identification Number (FEIN)

1. Taxable income before federal NOL & special deductions (From federal Form 1120)
2. Interest income from municipal bonds (Exclude New Mexico bonds)
3. Federal special deductions (From federal Form 1120)
4. New Mexico base income (Add lines 1 and 2 and subtract line 3)
5. New Mexico NOL carryover (Attach schedule) **SEE STATEMENT 1**
6. Interest from U.S. government obligations or federally taxed New Mexico bonds
7. Subtotal (Subtract the sum of lines 5 and 6 from line 4)
8. Deduction for foreign dividends (CIT-D, line 5)
9. New Mexico net taxable income (Subtract line 8 from line 7)
10. Income tax computation - tax on the amount on line 9 (See tax table on page 4 of instructions)
11. New Mexico percentage (Enter 100% OR percentage from line 5 of CIT-C.)
12. New Mexico income tax - MULTIPLY line 10 by the percentage on line 11
13. Total non-refundable credits (CIT-CR, line 16)
14. Net income tax (Subtract line 13 from line 12; if negative, enter zero)
15. Franchise tax (\$50 per corporation)
16. Total income and franchise tax (Add lines 14 and 15)
17. **Amended Returns Only:** (Enter amount of all 2009 refunds received or overpayments applied to 2010.
See instructions for line 19.)
18. Subtotal (Add lines 16 and 17)
19. Total Payments: ☐ quarterly ☐ extension ☐ applied from prior year
Mark this box if using method 4 to calculate penalty and interest on underpayment of estimated tax;
Attach RPD-41287. ☐
20. New Mexico income tax withheld (Attach all annual statements of withholding)
21. New Mexico income tax withheld from oil and gas proceeds (Attach Forms 1099, RPD-41285 or FID-WT)
22. Approved film production tax credit claimed (Attach RPD-41228)
23. Approved renewable energy production tax credit claimed (Attach RPD-41227)
24. Total payments, tax withheld and credits (Add lines 19 through 23)
25. Overpayment: (If line 24 is greater than line 18, enter the difference. This is your refund)
25A. Amount of overpayment to be applied to 2010 liability (Not more than line 25)
25B. Amount of overpayment to be refunded (Subtract line 25A from line 25)
26. Tax due: (If line 18 is greater than line 24, subtract line 24 from line 18)
27. Penalty (See CIT-1 Instructions)
28. Interest (See CIT-1 Instructions)
29. Total amount due (Add lines 26, 27 and 28)

1	-23,012
2	
3	
4	-23,012
5	100,112
6	
7	-123,124
8	
9	-123,124
10	0
11	100.0000 %
12	0
13	
14	0
15	50
16	50
17	
18	50
19	
20	
21	
22	
23	
24	
25	
25A	
25B	
26	50
27	
28	
29	50

Taxpayer's signature

I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than taxpayer or an employee of the taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

PRESIDENT

Contact phone number

Paid preparer's use only:**LISA WILLMAN**

Signature of preparer if other than owner of the taxpayer

Date

NM CRS Identification number

FEIN

SSN or PTIN

Preparer's phone number

NM CIT-1 New Mexico Net Operating Loss Carry Forward Statement 1

<u>Tax Year</u>	<u>Company Number</u>	<u>Loss Sustained</u>	<u>Loss Previously Applied</u>	<u>Loss Remaining</u>
06/30/07		156105.	55993.	100112.
Total Business Loss Carryover Available This Year				100112.
